



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

March 12, 2004

Board of Supervisors
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To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

**EMERGENCY MEDICAL SERVICES COMMISSION'S RECOMMENDATIONS TO
ADDRESS THE IMPENDING CRISIS IN EMERGENCY MEDICAL SERVICES
(ITEM NO. 70, AGENDA OF MARCH 16, 2004)**

Item No. 70 on the March 16, 2004 Agenda is a report from the Emergency Medical Services Commission (EMSC) on the November 13, 2003 public hearing hosted by the Commission to examine the impending crisis in emergency medical services in Los Angeles County. At the Board meeting of January 20, 2004, the item was continued pending qualification of the State ballot initiative recommended for support by the EMSC (known as the 911 Emergency and Trauma Care Act), and for additional information about the initiative.

As a result of their November 2003 hearing, the EMSC developed seven recommendations, three of which address either a proposed State ballot measure or legislative issues, and are the focus of this memo. The recommendations are to support 1) the State ballot initiative sponsored by the Coalition to Preserve Emergency Care, 2) the ongoing State emergency services appropriation to protect funding for physician call panels, and 3) legislation to develop additional nursing programs, and to expand existing programs to educate more nurses in the State of California.

This memo provides additional information about the 911 Emergency and Trauma Care Act initiative. Our previous report on EMSC recommendations is attached.

Status of the 911 Emergency and Trauma Care Act

The 911 Emergency and Trauma Care Act initiative sponsored by the Coalition to Preserve Emergency Care would increase the surcharge on telephone calls made within California to fund 911 emergency dispatch, emergency rooms, trauma centers, and emergency doctors. The measure is in circulation until April 12, 2004, and has yet to qualify for the November ballot. (Our memo of January 8, 2004 incorrectly noted the deadline as January 12, 2004.) In order to qualify, the measure needs 598,105 signatures.

Revenue and Allocation Provisions of the 911 Emergency and Trauma Care Act

Under current law, the State imposes a surcharge on each monthly telephone bill, including mobile telephones, and the revenues are deposited into the State Emergency Telephone Number (911) Account. The 911 Account is used to reimburse government agencies and telephone companies for equipment and related costs associated with the California 911 system.

The current surcharge is applied to all charges for intrastate telephone calls, and has a floor of 0.5 percent and a cap of 0.75 percent. Each year, the California Department of General Services determines the surcharge rate based on an estimate of the costs of the California 911 system. The current surcharge rate is 0.72 percent, and does not apply to lifeline telephone service or coin-operated telephones. The surcharge is collected via monthly telephone bills and generated an estimated \$132.5 million in 2003-04. Over the past number of years, increases in 911 Account revenues have been attributable to increased mobile telephone usage.

The 911 Emergency and Trauma Care Act initiative would increase the 911 surcharge by 3 percent. The measure would cap the cost of the overall surcharge for residential telephone customers at a maximum of 50 cents per month and exempt senior citizens and others who receive lifeline service. However, the cap on residential customers would not apply to mobile or commercial telephone users. The Legislative Analyst has estimated the 3 percent increase in the surcharge would generate about \$550 million annually.

The measure would allocate the revenue as follows: 60% (\$330 million) to emergency and trauma hospital services, 30.5% (\$167 million) to emergency and trauma physician services, 5% (\$27.5 million) to community clinics which provide urgent and primary care services, 3.75% (\$20.6 million) to emergency and trauma first responders and paramedics, and 0.75% (\$4.1 million) to the existing 911 Account. The funding for hospital, physician, and clinic services would reimburse the costs of care rendered to uninsured and underinsured patients, and the funding for first responders is targeted for training and equipment.

Amendments and Supplantation and the 911 Emergency and Trauma Care Act

While the overall intent of the 911 Emergency and Trauma Care Act initiative is to increase funding to specific health care providers and programs, the measure does contain a provision allowing the Legislature to amend the Act by statute to "further its purposes" subject to a four-fifths vote. Other than this provision, the initiative does not address any potential future increases or decreases in the new surcharge, or changes to program priorities.

With respect to supplantation, as previously reported to the Board by County Counsel on January 16, 2004, the initiative prevents the State from using the proceeds of the measure to supplant existing State funding streams, but does allow the State to recoup certain costs associated with administering the new Act, subject to a cap.

Status of Litigation Against the City of Los Angeles Concerning its Tax on Wireless Services

Your Board inquired of the status of a lawsuit involving the City of Los Angeles and whether the issues raised by the parties would clarify which governmental agency (i.e., the California Public Utilities Commission or the Federal Communications Commission) has jurisdiction over wireless companies and whether a state may tax long distance wireless calls to another state or country. County Counsel has advised that the basis for the suit does not address these issues, but rather involves a dispute as to whether the City may revise the method of calculating a utility users tax ("UUT") on wireless services. County Counsel has advised that the City had required wireless companies to pay a UUT based on the monthly access charges of cellular phone users. However, in August 2002, a newly enacted Federal law authorized local jurisdictions to tax wireless telephone services if the place of primary use is within its jurisdiction, and regardless of where a wireless call originates or terminates. As a result, the City of Los Angeles instructed wireless companies to revise their UUT calculations based on each user's full cellular telephone bill. In September 2003, Verizon and AT&T Wireless filed suit against the City alleging that the revised instructions for calculating the UUT requires voter approval pursuant to Proposition 218. This matter is still pending and County Counsel has indicated that it will continue to monitor the litigation in the event that the parties may raise other issues clarifying the questions raised by your Board.

DEJ:GK
MAL:JF:ib

Attachment

c: Executive Officer, Board of Supervisors
County Counsel
Department of Health Services



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DAVID E. JANSSEN
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January 9, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

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EMERGENCY MEDICAL SERVICES COMMISSION'S RECOMMENDATIONS TO ADDRESS THE IMPENDING CRISIS IN EMERGENCY MEDICAL SERVICES (ITEM NO. 38, AGENDA OF JANUARY 13, 2004)

Item No. 38 on the January 13, 2004 Agenda is a report from the Emergency Medical Services Commission (EMSC) on the November 13, 2003 public hearing hosted by the Commission to examine the impending crisis in emergency medical services in Los Angeles County. As a result of the hearing, the Commission developed seven recommendations, three of which address either a proposed State ballot measure or legislative issues and are the focus of this memo. The recommendations are to support 1) the State ballot initiative sponsored by the Coalition to Preserve Emergency Care, 2) the ongoing State emergency services appropriation to protect funding for physician call panels, and 3) legislation to develop additional nursing programs and to expand existing programs to educate more nurses in the State of California.

Support "The 911 Emergency and Trauma Care Act"

The State ballot initiative sponsored by the Coalition to Preserve Emergency Care, known as "the 911 Emergency and Trauma Care Act," would increase the surcharge on telephone calls made within California to fund 911 emergency dispatch, emergency rooms, trauma centers and emergency doctors. The measure is in circulation until January 12, 2004, and has yet to qualify for the November ballot. If enacted, the initiative would be effective January 1, 2005. Among the sponsors of the measure are the California Healthcare Association, the California Medical Association, the California Primary Care Association, and the American College of Emergency Physicians of California.

The measure would increase the 911 surcharge by 3 percent to 3.7 percent on telephone calls made within California. Although there have been no formal analyses of the initiative proposal, a California Medical Association newsletter notes that it would raise an estimated \$600 million to \$800 million annually. The measure would cap the cost of the surcharge for residential telephone customers at a maximum of 50 cents per month and exempt senior citizens and others who are on basic life-line rates. However, the cap on residential customers does not apply to mobile telephone services.

The measure would allocate the revenue as follows: 60% to emergency and trauma hospital services, 30.5% to emergency and trauma physician services, 5% to community clinics which provide urgent and primary care services, 3.75% to emergency and trauma first responders and paramedics, and 0.75% to the 911 emergency telephone systems. The funding for hospital, physician and clinic services would reimburse the costs of care rendered to uninsured and underinsured patients.

The Department of Health Services/Emergency Medical Services (DHS/EMS) indicates that this ballot initiative will help to address the emergency medical services crisis by: 1) increasing funding to overcrowded emergency departments to help them meet the growing demand for emergency care, 2) helping to fund community clinic care for the uninsured, which would provide some relief for emergency department overcrowding, 3) reimbursing emergency physicians and on-call specialists for uncompensated care, which will help to ensure that physicians continue to participate on call panels and provide emergency medical services, 4) providing funds to train more paramedics and equip Advanced Life Support units to ensure timely prehospital care to all parts of the County, and 5) helping the County-operated hospitals continue as the healthcare "safety net" by ensuring a steady funding stream for indigent and uninsured care. **Therefore, DHS recommends that the County support the State ballot initiative sponsored by the Coalition to Preserve Emergency Care, known as "the 911 Emergency and Trauma Care Act."**

Historically, the County has supported emergency medical and trauma care funding. For example, the County sponsored Measure B in 2002 which raised property taxes for emergency and trauma care, and SB 726 (Romero), which would provide the County with the authority to pursue a local alcohol tax for similar purposes. **However, because there is no existing County policy regarding increasing the telephone surtax to fund emergency medical services, support for this measure is a matter for Board policy determination.**

Support Ongoing State Appropriations for Emergency Medical Services

AB 1762, the budget trailer bill addressing health issues in the 2003-04 State Budget, included a \$25 million appropriation for distribution to physicians providing uncompensated

emergency services. The County supported this budget appropriation consistent with existing legislative policy to support proposals to provide permanent, stable funding for the County's public and private emergency and trauma care system. This policy was reaffirmed in the State Legislative Agenda for the second year of the 2003-04 State Legislative Session approved by the Board on December 16, 2003. Because this funding will help hospitals maintain current levels of trauma and emergency services by ensuring that physicians will continue to participate on call panels, **DHS recommends that the County support ongoing State appropriations for Emergency Medical Services, and we concur.**

Support Legislation to Develop and Expand Nursing Programs

The Department of Health Services/Emergency Medical Services indicates that expanding educational programs, developing innovative approaches to attract students to nursing, and supporting them through the program, will help to decrease the nationwide nursing shortage and ensure adequate nursing staff for the future.

Historically the County has supported a number of measures which were intended to increase the availability of nursing staff. For example, the County sponsored SB 885 (Polanco) in the FY 2001-02 Legislative Session seeking a \$3 million State appropriation for the Los Angeles County College of Nursing and Allied Health to expand the program and help to address the nursing shortage in California. However, SB 885 died in the Senate Education Committee without a hearing.

Consistent with existing County legislative policy to support State funding for the Los Angeles County College of Nursing and Allied Health, and enhanced funding for nursing education and training at public universities and teaching hospitals, **DHS recommends that the County support legislation to develop additional nursing programs and to expand existing programs to educate more nurses in the State of California, and we concur.**

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c: Executive Officer, Board of Supervisors
County Counsel
Department of Health Services